

## EFFECT OF THE EUROPEAN WAR

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arranged some months earlier when the Exchanges first presented weakness.

Happily, however, the onerous terms, upon which the advance was contracted, neither exhibited nor suggested any decline of our national credit since, in reality, the arrangement expressed not the raising of a loan but simply an operation in exchanges for the purpose of meeting an exceptional condition upon that sole point.

I have mentioned certain rates of American Exchange which recently occurred, and I now add that, on the 1st of October,<sup>f</sup> 1915, taking the case of cable transfers, the rate on London had improved to 4\*72J while, with intermediate variations, consequent on the changing extent of our imports of munitions, it stood at 4-70J on the 3rd of December 1915.

A practical epilogue is a fitting pendant to a practical volume on Finance. An impartial survey conclusively suggests an enduring lesson upon the constitution and administration of our form of government. The principles and practice of morality, from its inherent nature, are precisely identical whether they be exercised by an individual or by an aggregate of individuals: in a similar way and by a similar necessity, continuity of expansion and the development, in amplest measure, of the vast capabilities and character of our nation are solely competent of achievement by the modes of supervision and execution which alone conduct a private or public commercial house to prosperous issues. The war, to all thoughtful minds, has rudely—and, I trust, finally—shattered our traditional conceptions and forms of government. Our stable and renowned mercantile institutions furnish at once the model for reconstructed methods of Imperial Rule, and the sole prophecy of genuinely enduring and propitious national results. For, in them, there intrude no party or sectional interests and jealousies; co-ordination and harmony of aim and action are permanently organic; no lurking place is discoverable to incompetence or waste; fitness of

position and man rests on the criterion alone of trained and specialised knowledge and experience in practical affairs, through direct contact with the realities of life—rank and social status, university distinctions and aptitude in professional niceties,